

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL EXPRESS, PRIORITY MAIL,  
FIRST-CLASS PACKAGE SERVICE & PARCEL SELECT  
CONTRACT 10 (MC2022-16)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2022-17

**USPS NOTICE OF AMENDMENT TO  
PRIORITY MAIL EXPRESS, PRIORITY MAIL, FIRST-CLASS PACKAGE SERVICE &  
PARCEL SELECT CONTRACT 10, FILED UNDER SEAL**  
(May 2, 2022)

The Postal Service hereby provides notice that the terms of Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 10, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 10 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

475 L'Enfant Plaza, SW  
Washington, D.C. 20260-1137  
(202) 268-8405  
[Sean.C.Robinson@usps.gov](mailto:Sean.C.Robinson@usps.gov)  
May 2, 2022

**ATTACHMENT A TO REQUEST**

**REDACTED AMENDMENT TO PRIORITY MAIL EXPRESS, PRIORITY MAIL, FIRST-CLASS**

**PACKAGE SERVICE & PARCEL SELECT CONTRACT 10**

**AMENDMENT #1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
**[REDACTED]**  
**REGARDING**  
**PRIORITY MAIL EXPRESS,**  
**PRIORITY MAIL,**  
**FIRST CLASS PACKAGE SERVICE**  
**AND**  
**PARCEL SELECT**

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, Priority Mail Express, Priority Mail, First Class Package Service & Parcel Select Contract 10/Docket No. CP2022-17 regarding Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select on October 22, 2021.

WHEREAS, the Parties desire to amend the terms in Sections I.C.4, IV, and V of the Contract; add new Sections I.P and I.Q to the Contract; and amend Section I.A in the Contract’s Appendix, and delete Table F.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.C.4, IV, and V of the Contract; add new Sections I.P and I.Q to the Contract; and replace Section I.A in the Contract’s Appendix, and delete Table F, as follows.]

**I. Terms**

C. [Unchanged.]

1. [Unchanged.]
2. [Unchanged.]
3. [Unchanged.]
4. Customer may provide its [REDACTED] with pricing below prevailing published Priority Mail Commercial Plus prices for Priority Mail Contract Packages only as directed by the Postal Service, by utilizing the [REDACTED] rate cards

pursuant to Section I.P below and Section I.A in the Appendix. Customer shall not provide its [REDACTED] with pricing below prevailing published Priority Mail Express, Parcel Select Ground, or First-Class Package Service – Commercial prices for Contract Packages under any circumstances. If Customer fails to comply with this Section I.C.4, the Postal Service may move Customer to prevailing published Priority Mail Express Commercial Plus, Priority Mail Commercial Plus, First-Class Package Service – Commercial, and/or Parcel Select Ground prices after five (5) calendar days from notification, if the Customer has not cured its failure within such five (5) calendar day period.

5. [Unchanged.]

- P. [REDACTED] Rate Card Discounts. Commencing on the Effective Date of this Amendment, and as may be modified from time to time at the sole discretion of the Postal Service, Customer will be given rate cards that contain additional discounts authorized by the Postal Service available to [REDACTED] for Priority Mail Contract Packages, provided that the [REDACTED] satisfy the requirements in Section I.A of the Appendix to this Contract.
1. Customer must implement the [REDACTED] rate cards within fourteen (14) business days of receipt on a date mutually agreed upon with the Postal Service. Upon this mutually agreed upon date, these additional discounts will be added to Customer's applicable discounts in Sections I.F, I.H, I.I, and I.J, such that, when the [REDACTED] rate card discounts are passed on to Customer's [REDACTED], Customer will maintain its previously established discount level. In no such instance, however, will the combined discounts in Sections I.F, I.H, I.I, I.J, and I.P exceed the maximum allowable discounts established by the Postal Service, as reflected in the Postal Service's financial workpapers submitted under seal to the Postal Regulatory Commission. Customer expressly agrees not to seek access to these workpapers.
  2. Customer must utilize the [REDACTED] rate cards provided by the Postal Service, and is strictly prohibited from offering to any [REDACTED] any rebates, discounts, gratuities, freebies, promotions, inducements or other incentives that could be perceived as further discounting prices beyond what is authorized in the [REDACTED] rate cards. The [REDACTED] rate cards provided by the Postal Service may authorize additional discounts for [REDACTED] below commercial published pricing for certain products in certain cells of the rate card.
  3. All [REDACTED] discounts are subject to the terms and conditions established by the Postal Service. If Customer is found noncompliant, a violation of this section will constitute a material breach of this Contract, and will be subject to the termination provisions in Section IV of the Contract.

- Q. Market Share Data. If Customer's [REDACTED] is a [REDACTED], upon request by the Postal Service, Customer must provide the Postal Service with accurate volume data by weight and zone. Customer must provide these data within one week of the Postal Service's request.

#### **IV. Expiration Date, Term and Termination**

A. Expiration.

1. Unless the Effective Date of this Contract occurs between December 1st and March 31st, this Contract shall expire three (3) years from the Effective Date, unless (a) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing pursuant to Section IV.B.1; (b) terminated by either Party pursuant to Section IV.B.2; (c) renewed by mutual agreement in writing and subsequent approval by the Commission; (d) superseded by a subsequent contract between the Parties; (e) ordered by the Commission or a court; or (f) required to comply with subsequently enacted legislation.
2. If the Effective Date of this Contract occurs between December 1st and March 31st, the Contract will expire on March 31st following the third anniversary of the Contract's effective date, unless (a) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing pursuant to Section IV.B.1; (b) terminated by either Party pursuant to Section IV.B.2; (c) renewed by mutual agreement in writing and subsequent approval by the Commission; (d) superseded by a subsequent contract between the Parties; (e) ordered by the Commission or a court; or (f) required to comply with subsequently enacted legislation.

B. Termination.

1. Termination for Convenience. Each Party reserves the right to terminate this Contract for convenience, without penalty, with thirty (30) calendar days' written notice to the other Party.
2. Termination for Breach. If either Party breaches any material term of this Contract, and fails to cure such breach within five (5) business days after receiving written notice from the non-breaching Party describing such breach, the non-breaching Party may immediately terminate this Contract in its entirety. In addition, if the Postal Service determines that Customer has breached any material term of this Contract, the Postal Service shall have the right to immediately suspend Customer's access to Contract pricing while Customer cures such breach and, at the sole discretion of the Postal Service, Customer shall pay the difference between prevailing published prices and Contract prices on all Contract Packages shipped during the time period of such breach, but not to exceed one year. Notwithstanding anything to the contrary set forth in the Contract, either Party may pursue to the full extent available any and all remedies that may be available at law, equity or under the Contract.

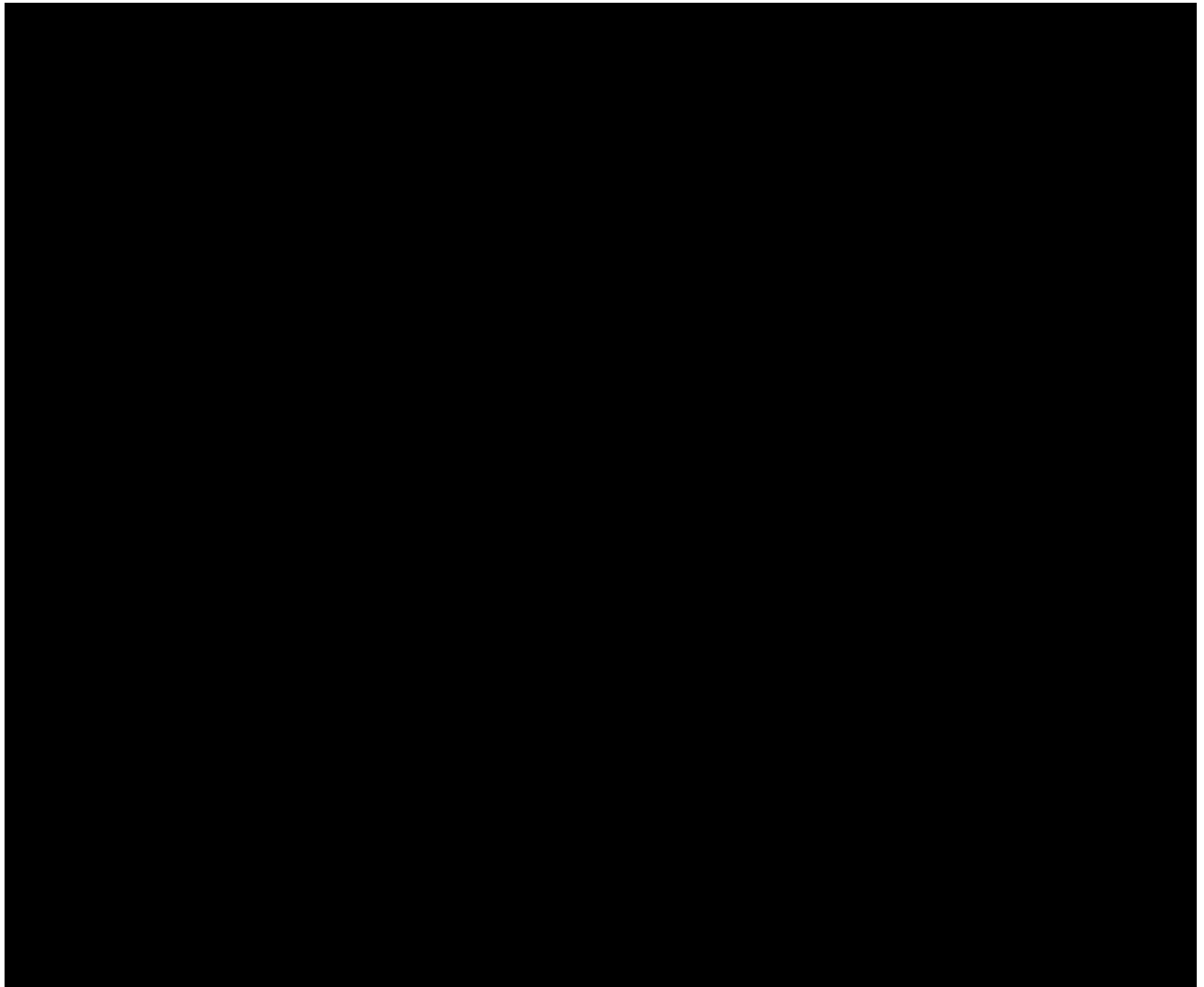
- C. Extension. If, at the conclusion of this Contract term, both Parties agree that preparation of a successor contract is active, this Contract will be extended for up to two (2) ninety (90) calendar day periods, with official notice filed with the Commission at least seven (7) calendar days prior to the Contract's expiration date.

## **V. Appeals**

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED]. The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

[Replace Section I.A of the Appendix to the Contract, as follows:]

## **I. Marketplace Requirements**







IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

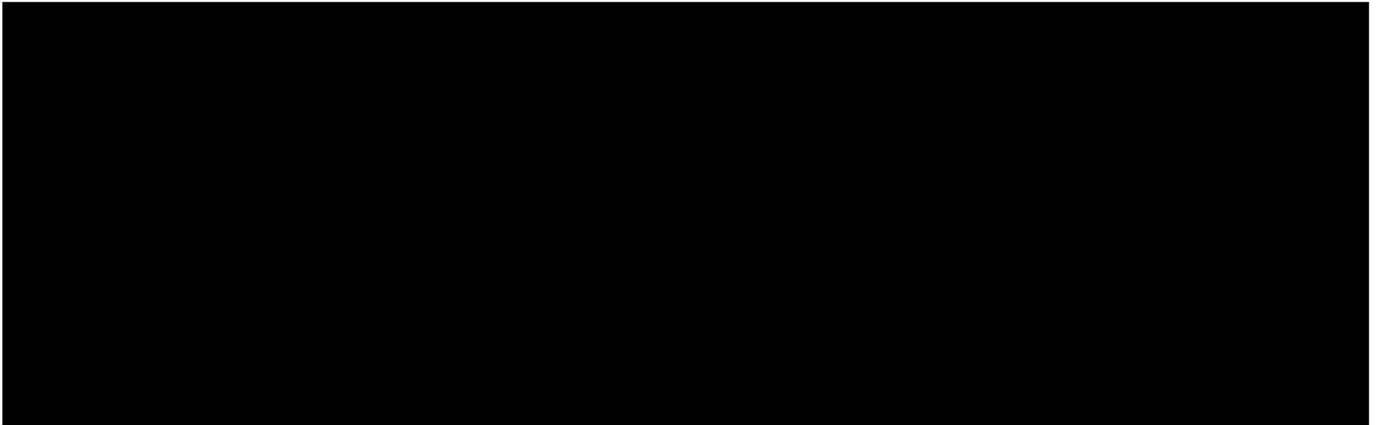
UNITED STATES POSTAL SERVICE

Signed by: Jacqueline Strako

Printed Name: Jacqueline Strako

Title: Chief Commerce & Business Solutions Officer and Executive Vice President

Date: 4/26/2022



**ATTACHMENT B**  
**SIGNED CERTIFICATION**

**Certification of Prices for Amendment to  
Priority Mail Express, Priority Mail, First-Class Package Service  
& Parcel Select Contract 10**

I, Lisa H. Arcari, Director, Domestic Package Pricing, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Express, Priority Mail, First-Class Package Service & Parcel Select Contract 10. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Lisa  
Arcari**

Digitally signed  
by Lisa Arcari  
Date: 2022.05.02  
09:55:42 -04'00'

---

Lisa H. Arcari